

## **MINUTES**

### **VIRGINIA SMALL BUSINESS FINANCING AUTHORITY BOARD OF DIRECTORS MEETING - LOAN BUSINESS**

**April 27, 2005 - 12:00 P.M.**

**8<sup>th</sup> & Main Building, 3<sup>rd</sup> Floor Conference Room  
Richmond, Virginia**

- I. Voting members present: Andy Brownstein, Bob Young (for the Honorable Jody Wagner), Jane-Scott Cantus, Jeff Jones, Pallabi Saboo, and Mike Eisenman.  
Others present: Scott Parsons, Seth Ginther, David L. Richardson II, (McGuireWoods LLP), Barbara Carter, Patty Thorne, Anna Mackley Cobb, and Mark Heede.

Chairman Brownstein called the meeting to order. Scott Parsons informed the Board of a few administrative matters concerning staff members. Mr. Parsons announced that one project manager position and the loan operations specialist position would be ending as of June 30 due to revenue challenges. Another staff member is leaving for a new job opportunity but that position will be filled.

- II. Approval of Minutes - On a motion by Bob Young, seconded by Jeff Jones, the minutes of the February 16, 2005 Board of Directors - Loan Business Meeting were unanimously approved.
- III. Potential 501 c 3 Bond Request - David L. Richardson II, bond attorney with McGuireWoods, LLP, presented information to the Board on a potential bond application for a church-based school. After discussions of the issues, legal proceedings, and other concerns that may occur with this type of request, the Board decided to consider the application once it is formally submitted to the Board.
- IV. 501 c 3 Bond Application
- A. Southern Virginia University - City of Buena Vista - \$6,500,000. Anna Mackley Cobb reviewed for the Board this application for 501 c 3 bonds to finance and refinance outstanding debt and make capital improvements.

**V. PUBLIC HEARING**

- A. Southern Virginia University - City of Buena Vista - \$6,500,000 501 c 3 Bond. On a motion by Jeff Jones, seconded by Pallabi Saboo, the Board of Directors unanimously adopted an inducement resolution authorizing the issuance of 501 c 3 bonds to refinance outstanding indebtedness and to make capital improvements. No public comments were made.
- VI. Board Review and Ratification of Loans Approved and Declined by Staff - On a motion by Bob Young, seconded by Pallabi Saboo, the loan decisions of \$500,000 or less approved by staff for February through April 2005 were unanimously ratified.
- VII. Ratification of Virginia Capital Access Program Claims - On a motion by Jeff Jones, seconded by Bob Young, the Board of Directors unanimously approved the ratification of the payment of two claims under the Virginia Capital Access Program for the benefit of The Bank of Southside Virginia.
- VIII. Report to the Board on Loan Volume and Fiscal Year Status - Scott Parsons reviewed for the Board the monthly loan activity report for March 2005. Mr. Parsons noted that \$9.3 million committed to loans and that 52 loans were approved in underserved and distressed areas. The loan fund accounting report from inception to date was also reviewed for the Board focusing on the amount of money available in each loan fund. Mr. Parsons also noted that the \$8,000,000 in the state economic development loan fund would be lost by the VSBFA as of July 1<sup>st</sup>. The Board also discussed the use and funding of the federal portion of the economic development loan fund. Mr. Parsons then noted that the VCAP has less than one year of funds available depending upon usage.
- IX. Other Matters
  - A. Proposed New Tourism Loan Program - Scott Parsons and Mike Eisenman informed the Board of a new loan program for the Virginia Department of Tourism. One million dollars of the federal monies in the Economic Development Loan Fund will be used as seed capital for the tourism loan fund targeted to Southside and Southwest Virginia regions. Once activity in the program can be shown, it is hoped that the Tobacco

Commission will provide additional funding for the tourism loan program as it targets the tobacco regions as well.

- B. Agriculture Financing Program - Scott Parsons also made the Board aware of a possible new agriculture financing program. Virginia is a state with one of the largest amount of agriculture activity and yet it does not have financing programs geared toward agriculture. Mr. Parsons and Ms. Patty Thorne have been working with the Virginia Department of Agriculture and Consumer Services trying to identify the needs for farming and agribusiness that exist. This information was presented to the new Secretary of Agriculture who gave his approval to Mr. Parsons and Ms. Thorne to continue identifying any financing gaps that exist in the farming and agribusiness communities. The end goal of this process is to identify the needs, create some programs that will fill the gaps, and then go into the General Assembly session with budget language or legislation to establish the programs.
- C. Business Appreciation Week (BAW) - The Board members were invited to attend the Governor's Breakfast on May 16<sup>th</sup> at the Omni Hotel in Richmond for Business Appreciation Week. The Governor is scheduled to be the keynote speaker. Throughout the week all of the different localities typically have events honoring existing businesses in their communities. Board members were also encouraged to attend some of these events in their localities

- X. The meeting was adjourned.